ATTACHMENT 1. DEVELOPING A STATEMENT OF PURPOSE AND NEED

RECOMMENDED APPROACH FOR DEVELOPING A STATEMENT OF PURPOSE AND NEED

BACKGROUND

The Council on Environmental Quality's regulations for implementing the National Environmental Policy Act (NEPA) state that an EIS "shall briefly specify the underlying purpose and need to which the agency is responding in proposing the alternatives including the proposed action." The California Environmental Quality Act (CEQA) guidelines require that the project description contain a clearly written statement of objectives, including the underlying purpose of the project.

TWO-STEP APPROACH TO PREPARING A STATEMENT OF PURPOSE AND NEED/STATEMENT OF OBJECTIVES

CALFED proposes a two-step approach:

- First, identify the problem(s) to be addressed or opportunity(ies) to be seized; this is the **need**.
- Then, identify what is to be achieved or accomplished in relation to the problem or opportunity; this is the **purpose**.

The statement of purpose and need under NEPA should not be confused with the "project purpose" under Section 404 of the Clean Water Act, but to the extent practicable, they should be the same (see page 3-22).

Below is a simple example to illustrate the steps described above.

- Step 1:
  - Identify the problem to be addressed or opportunity to be seized: "Existing homes, businesses and agricultural lands are being damaged by high flows and flooding."

- Refine the description to define the problem or opportunity as specifically as possible: For example, "Existing homes, businesses and agricultural lands in a 2- to 3-square-mile area have been flooded to depths of 3-5 feet every other year for the past 20 years."

This is the underlying need for an action.

- Step 2:

  - Identify what you want to accomplish or achieve: "Reduce damage to existing homes, businesses and agricultural lands resulting from high flows and flooding."

  - Make that description as specific as possible to help screen/limit the range of alternatives: For example, "Provide existing homes, businesses and agricultural lands with 1-in-100-year protection from high flows and flooding."

  This is the underlying purpose.

  There may be more than one thing you intend to achieve or accomplish to meet the identified need. Being as specific as possible by including these when identifying the underlying purpose of an action will help in the selection and screening of project alternatives.

Another way to prepare a statement of purpose and need using this two-step approach is to work backward from the CALFED action you intend to implement. With the action in mind, you would develop the statement of purpose and need by identifying the problems or opportunities that are driving the need for that action (the need), then what you want to achieve or accomplish by implementing the action (the purpose). The CALFED agencies have already identified the broad actions that are needed to restore ecological health and improve water management for beneficial uses of the Bay-Delta system; project proponents of CALFED actions should use these broadly described actions when developing project-specific statements of purpose and need.

When using this "work backward" approach, however, caution is needed, especially if a project proponent has already planned a fairly specific project to implement a CALFED action. To be legally defensible, a purpose and need statement must not be so narrowly construed to preclude reasonable alternatives from being considered in the environmental analyses. If a CWA Section 404(b)(1) permit is required, the EPA and the Corps will reject a project purpose too narrowly stated.

SELECTION OF ALTERNATIVES

Once a statement of purpose and need is developed, you can begin to identify alternatives. In the example used above, this would involve identifying all reasonable ways to

reduce damage to existing homes, businesses and agricultural lands that could result from high flows and flooding. These initial alternatives would be assessed to ensure that they would meet the goal of providing 1-in-100-year protection. Alternatives that could provide 1-in-100-year protection are the alternatives that address the underlying purpose and need and should be evaluated in the environmental document.

Please note the following:

- An alternative that addresses the statement of purpose and need should not be part of the statement of purpose and need.
- The words "purpose" and "need" need not be mentioned and need not be defined separately in the statement of purpose and need.
- The statement of purpose and need does not include a discussion of impacts or a statement that the document is being prepared to satisfy NEPA or CEQA.

EXAMPLE OF DEVELOPMENT OF A STATEMENT OF PURPOSE AND NEED FOR A CALFED ACTION

The following section describes the process for developing a statement of purpose and need for a hypothetical CALFED action.

Providing storage north and south of and within the Delta was an action broadly described in the Preferred Program Alternative. Storage was analyzed in the CALFED Bay-Delta Program Final Programmatic Environmental Impact Statement/Environmental Impact Report (PEIS/EIR). Developing a statement of purpose and need for north-of-Delta storage meant identifying the problems or opportunities driving the need for north-of-Delta storage or other practicable alternatives and identifying what would be achieved or accomplished by implementing north-of-Delta storage or other practicable alternatives.

This involved reviewing the objectives and goals for the CALFED program elements and the specific characteristics cited in the Phase II Report, Framework for Action, and Programmatic Record of Decision regarding storage proposals, particularly those for north-of-Delta storage. The results of this review were used, and, as indicated below, the two-step approach described above was followed.

- Step 1—Identify problems that need to be addressed and why they need to be addressed:
  - Inadequate cold-water temperatures for anadromous species in the Sacramento River.
  - Inadequate instream flow standards for Delta outflow.

- Inadequate water supply to meet fishery protection and restoration/recovery needs.

- Inadequate amount of flexibility in water system operation to aid in offsetting Trinity River water reductions.

- Inadequate Central Valley Project (CVP) yield during drought conditions.

- Inadequate flood control to protect Delta levees.

- Inadequate and unreliable water supplies for urban and agricultural water users.

In the interest of brevity, this example does not include a detailed description of the problems that need to be addressed; however, project proponents should not omit this part of the step.

- Step 2—Identify what is to be accomplished or achieved in relation to the problems:

  - Water quality improvements to ensure appropriate cold water temperatures for anadromous species in the Sacramento River and to meet instream flow standards for Delta outflow. (What temperature is needed and for what period of time/distance down the river? What instream flow standards should be achieved and for what period of time?)

  - A reliable water supply (environmental water account?) to assist in the restoration of natural processes, including fishery protection and restoration/recovery needs, in the Sacramento River and Delta. (How much water is needed? When is it needed?)

  - Improvements in the flexibility of water system operation to aid in offsetting Trinity River water reductions, improvements in CVP yield during drought conditions, and flood control improvements to protect delta levees. (What specifically is meant by enhanced flexibility? Improved flood control?)

  - Accessible and affordable new water supplies for urban and agricultural water users. (What does accessible mean? What is affordable water?)

Answering the parenthetical questions shown in step 2 helps make the statement of underlying purpose more specific and thereby helps screen or limit the range of alternatives to be evaluated in the environmental document.

After completing steps 1 and 2, the project team can prepare a draft statement of purpose and need. The challenge is keeping the statement short (typically a paragraph or two) but having adequate detail to limit the alternatives to a reasonable range, given the scope and magnitude of

the proposed project. Typically, the project team will work through many drafts to arrive at the final statement of purpose and need.

EXAMPLE BACKGROUND DESCRIPTION FOR A STATEMENT OF PURPOSE AND NEED FOR A CALFED ACTION

It is suggested that a Background Description be developed to help explain the context of the purpose and need statement and its relationship to the CALFED long term Plan. The Background Description does not necessarily need be used in the environmental document. The following is an example Background Description for a hypothetical storage project. The following paragraphs refer to storage; project proponents would need to replace them with paragraphs specific to their projects.

> Seeking solutions to the resource problems in the Bay-Delta, State and federal agencies signed a "Framework Agreement" in June 1994. The impetus to forge this joint effort came at the State level in December 1992 with the formation of the State Water Policy Council and the Bay-Delta Oversight Council, an advisory group to the State Water Policy Council. In September 1993, the Federal Ecosystem Directorate was created to coordinate federal resource protection and management decisions for the Bay-Delta. The Framework Agreement laid the foundation for the Bay-Delta Accord and the CALFED Bay-Delta Program (CALFED). The Accord, also called the Principles for Agreement on Bay-Delta Standards between the State of California and the Federal Government, detailed interim measures for both environmental protection and regulatory stability in the Bay-Delta.
>
> CALFED oversees the coordination and increased communication between federal agencies, State agencies, and stakeholders in three areas outlined in the Framework Agreement:
>
> 1. Substantive and procedural aspects of water quality standard setting.
>
> 2. Improved coordination of water supply operations with endangered species protection and water quality standard compliance.
>
> 3. Development of a long-term solution to fish and wildlife, water supply reliability, flood control, and water quality problems in the Bay-Delta.
>
> The CALFED Bay-Delta Program is charged with responsibility for the third issue identified in the Framework Agreement. CALFED's mission is to develop and implement a long-term comprehensive plan that will restore ecological health and improve water management for beneficial uses of the Bay-Delta system. CALFED conducted programmatic evaluation of a long-term plan (the Preferred Program Alternative) to address Bay-Delta problems in its Final Programmatic Environmental Impact Statement/Environmental Impact Report (Programmatic

EIS/EIR). The Programmatic EIS/EIR was completed in July 2000, and a Programmatic Record of Decision (ROD), including State certification, was issued in August 2000. Approval of the ROD/certification provides the general direction for implementation of CALFED's Preferred Program Alternative.

To practicably achieve its mission, CALFED will concurrently and comprehensively address problems of the Bay-Delta system within each of four resource categories: ecosystem quality, water quality, water supply reliability, and levee system integrity. Important physical, ecological, and socioeconomic linkages exist between the problems and possible solutions in each of these categories. Accordingly, a solution to problems in one resource category cannot be pursued without problems in the other resource categories being addressed. CALFED's Preferred Program Alternative includes a range of balanced actions that can be implemented to move forward on a comprehensive, multi-agency approach to managing Bay-Delta resources. A comprehensive solution to Bay-Delta problems will also be supported by governance and finance mechanisms that overcome problem-specific or resource-specific limitations of previous, more narrowly focused approaches.

A fundamental concept included in the Preferred Program Alternative is adaptive management. No long-term plan for management of a system as complex as the Bay-Delta can predict exactly how the system will respond to restoration efforts or foresee events such as earthquakes, climate change, or the introduction of new species to the system. The possibility of sea-level changes induced by global warming or by other long-term climate trends is a good example of the need for an adaptive management approach to planning issues.

Adaptive management is an essential part of every element of the Preferred Program Alternative. Implementation of this long-term plan involves proposals for new kinds of actions or actions that are more intensive than those attempted in past efforts. Along with these proposed actions comes uncertainty. What actions work best to achieve the Preferred Program Alternative objectives? How can these actions be modified to work better, cost less, or be simpler to implement? How should the emphasis among actions change over time? Are there new or different actions that should complement or replace those that are being implemented? An adaptive management approach helps to answer these questions and allows CALFED to act upon those answers.

CALFED's strategic approach for implementation includes staged implementation and staged decision making. The selection of the Preferred Program Alternative establishes the broad resource framework and strategy for implementing a comprehensive strategy for addressing Bay-Delta Program problems. The Preferred Program Alternative is composed of hundreds of individual actions that will be implemented and refined over time.

The challenge in implementing Preferred Program Alternative in stages is to allow actions to go forward if they are ready to be implemented immediately, while ensuring that everyone has a stake in the successful completion of each stage. Linkages and assurance mechanisms will facilitate successful implementation.

When site-specific proposals are developed that involve potentially significant additional environmental impacts, those proposals will be subject to subsequent site-specific environmental review. Final decisions on individual projects will be based on a full suite of analysis and public comments on the projects.

Stage 1 comprises the first 7 years of implementation. A detailed list of Stage 1 actions is provided in CALFED's Implementation Plan for the Preferred Program Alternative. The Stage 1 actions are subject to revision, based on information developed during program implementation; available resources, including funding and personnel; and logistical considerations. The Stage 1 actions place an emphasis on ecosystem restoration, water use efficiency/recycling, environmental water quality, drinking water quality, storage, conveyance, levees, water transfers, watershed management, and the CALFED Science Program.

CALFED will annually review the status of implementation of all actions, the progress toward achievement of all goals and objectives, and compliance with CALFED schedules and financing agreements. Funds for implementation of components of the Preferred Program Alternative will continue to be available only if implementation of all actions, progress toward achievement of all goals and objectives, and compliance with schedules and financing agreements are occurring in a balanced manner.

As noted above, during Stage 1, storage will be developed as appropriate to meet CALFED's goals as part of a comprehensive Water Management Strategy that includes aggressive implementation of water conservation, recycling, improved water transfers market, and habitat restoration. Decisions to construct groundwater or surface storage will be predicated on maintaining balanced implementation of all elements of the Preferred Program Alternative and compliance with all environmental review and permitting requirements.

The CALFED agencies have identified 12 potential surface storage projects. The Programmatic EIS/EIR generically analyzed the consequences of hypothetical storage sites north of the Delta, within the Delta, and south of the Delta. CALFED will continue to evaluate these surface and groundwater storage opportunities, initiate permitting, NEPA and CEQA documentation, and construction—if all conditions are satisfied. These efforts will be coordinated under CALFED's Integrated Storage Investigation (ISI).

Go to Attachment 2